

24 August 1956

MEMORANDUM FOR THE RECORD

FROM: Chief, Budget Division

SUBJECT: Magnitude Estimates Furnished Bureau of the Budget by Telephone

1. Mr. Wilhelm of the Bureau of the Budget called and inquired concerning projected estimates requirements for Fiscal Years 1958 and 1959 on Intelligence and on Cold War Operations.

2. These estimates were requested by Gen. Cassidy for use of the Killian Committee. I indicated that any estimates that we furnish at this time could be only magnitude estimates and could be subject to considerable adjustment later. Mr. Wilhelm stated that he recognized this situation and that he had indicated to Gen. Cassidy that estimates furnished at this time would be very rough and could be subject to considerable change. He also stated that Gen. Cassidy indicated that he recognized the problem raised by such estimates and that they would be used with this in mind.

3. On the above basis, the following estimates for Fiscal Years 1958 and 1959 were furnished to Mr. Wilhelm:

	<u>FY 1958</u> (In Million dollars)	<u>FY 1959</u> (In Million dollars)
Intelligence .....		
Cold war .....		
Total Operations .....		
Reserve for Contingencies...		
Total Appropriation .....		

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4. Mr. Wilhelm was told that the above estimates did not include provision for contributions to the Civil Service Retirement Fund required under Title IV of Public Law 854, 84th Congress. He stated that he would add this qualification to the earlier qualifications he had given Gen. Cassidy (see paragraph 3 above). He also stated that he would re-state the qualifications that he had previously discussed with Gen. Cassidy.

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5. We do not know the exact use to which this information will be used, but it is believed that the Director should be knowledgeable of the estimates.

6. These estimates were based upon the earlier estimates for intelligence which were furnished to the Bureau of the Budget for use of the Kilian Committee ( [redacted] in 1959), and the level of the FY 1958 budget which was approved by the Director on Wednesday, 15 August 1956. The same policy was used in the furnishing of prior long-range estimates in that the total level of operations for FY 1959 was projected at the approved level for FY 1958.

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